

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**COMPREHENSIVE STUDY
LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW – DRAFT REPORT**

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LAFCO of Napa County

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INTRODUCTION

On January 1, 2001, the Cortese-Knox-Hertzberg Local Government Reorganization Act became the governing law of LAFCOs. One change brought by this Act was the creation of a new LAFCO function, the service review. California Government Code §56430 states that prior to any review or update of a sphere of influence, the Commission shall conduct a service review – a comprehensive evaluation of the ability of the agency to provide service within its existing jurisdiction and within its sphere. Government Code §56425(f) states that the Commission shall update all spheres every five years, meaning that the Commission must also conduct service reviews on a five-year cycle. Each of the 58 LAFCOs may adopt their own approach to fulfilling the service review and sphere update requirements.

To fulfill these responsibilities, LAFCO of Napa County adopted a schedule for service reviews and sphere updates to begin in late 2001 and end in late 2005. In developing this schedule, the Commission determined that the complex assignment before it must be accomplished through a series of studies. Some of these studies are designed to conduct an analysis of one type of service across many agencies and/or areas in Napa County, while other studies focus on the breadth of services offered by one agency. Overlap is an inherent component of this approach – any given agency may be evaluated in the context of several studies. As a result, there is the possibility that reports later in the schedule will give rise to reconsideration of conclusions drawn in an earlier study. In addition, this approach means that LAFCO will not fully meet its statutory obligations until the completion of its adopted schedule. When the schedule is completed, the Commission will evaluate the need for future studies and develop a schedule for the 2006-2010 cycle.

As part of the service review process, the Commission is required to consider and make written determinations with regard to nine service factors enumerated under California Government Code §56430. These factors are intended to capture the legislative intent of the service review process and offers LAFCO key information to inform policy determinations necessary to complete a sphere update. These factors are:

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options.

8. Evaluation of management efficiencies.
9. Local accountability and governance.

Comprehensive Study of Landscaping and Lighting Districts

During the fall of 2004, LAFCO of Napa County initiated its *Comprehensive Study of Landscaping and Lighting Districts*. The purpose of this study is to focus on the provision of landscaping and lighting services provided in the unincorporated portions of Napa County. LAFCO acknowledges that the five cities in Napa County provide some form of the services covered by this study. However, it was decided for this first round of the municipal service review assignment to focus only on the districts that provide these services in unincorporated areas. The geographic areas in question are the Silverado County Club and the airport industrial area. The districts that serve these areas are Silverado Community Services District (CSD) and County Service Area (CSA) #3, respectively. These jurisdictions are depicted in Attachment A.

To facilitate the public review of this report, the Commission will discuss its content at its June 6, 2005 meeting. Staff will provide an overview of initial findings concerning the districts and allow the Commission to provide direction to staff as to the content of the study. Phase Two will begin following the presentation and extend through a public review period for the report. During this time, staff will incorporate public comments (written and oral) and direction from the Commission in developing draft determinations based on information collected and analyzed in accordance with the Cortese-Knox-Hertzberg Act. It is anticipated that draft determinations will be presented to the Commission for a first-reading at its August 2005 meeting.

The sphere of influence update of each district, which represents the third and final phase of the study, will begin following the adoption of written determinations and will be presented to the Commission at a future hearing.

POPULATION

While there are no specific counts of the population within the Silverado CSD, an acceptable estimate can be derived based on water service connections using the formula provided in Title 22 of the California Code of Regulations. Using this approach, the estimated service population within the Silverado CSD is 3,571.¹

¹ This calculation assumes 3.3 people per residential, water service connection. There are currently 1082 such connections in the Silverado CSD. Of the 1082 connections, 563 are to condominiums. Many of these condominiums are not occupied year-round; owners of these condominiums may coordinate with the Silverado Country Club and Resort to rent their properties during the year. Therefore, this population estimate should be considered the maximum population capacity of the Silverado CSD.

There are a handful of non-conforming residential uses within CSA #3 – approximately 10 units. The current state of these units and whether they are occupied is unclear. All told, there are no more 20 people believed to be living within the District.

OVERVIEW

CSD and CSA Law

California Government Code §§61000-61850 contain the division known as “Community Services District Law.” Enacted by the Legislature in 1955, CSD law allows the formation of a municipal agency empowered to provide elevated levels of urban services to a defined jurisdiction. There are currently 317 CSDs in California, the vast majority of which are independent special districts. A handful – 20 – operates as dependent districts. (Thirteen are dependent to a board of supervisors. Seven are dependent to a city council.) Government Code §61600 (Attachment B) enumerates the specific powers available to a CSD. Formation of a CSD requires the approval of a majority of the voters in the proposed district.

With few exceptions, a CSD is capable of providing all of the municipal services that a general law city can provide. The most notable exception is land use planning. Because of this broad authority, over the years, many planners and government analysts have advocated the formation of CSDs in areas that are anticipated to develop into cities. An independent CSD provides a community with the power of self-governance and local control for issues concerning municipal services. However, there are restrictions on the exercise of a CSD’s authority. A CSD may only exercise with discretion those powers that it was granted at the time of its formation. Activating new powers or deactivating existing powers requires a majority vote of the electorate of the CSD.

CSD’s are governed by a 3 or 5 member board of directors. At the time of formation, an election for a board of directors may take place, or a board of supervisors or city council has the option of appointing a district board. The appointed board may be the board of supervisors or the city council. Constituents of a CSD with an appointed board have the means to call for an election to determine if the CSD should have a directly elected board. A CSD can be funded by property taxes, special assessments, or some combination of the two.

California Government Code §§25210.1-25338 contain a chapter known as “County Service Area (CSA) Law.” CSAs are explicitly dependent districts with a board made up of the board of supervisors. CSA law encompasses a set of general powers given to boards of supervisors to allow for the provision of urban levels of municipal services within the CSA boundaries. Government Code §§25210.4a-25210.4d (Attachment C) enumerates the powers that can be exercised by CSAs throughout the state.² Formation

² CSA Law includes a number of sections that grant special powers to specific counties for specific purposes. For example, G.C. §25210.4h allows for the formation of a CSA in Napa County to provide certain services related to farmworker housing. This section allowed for the formation of CSA #4.

of a CSA requires actions by a board of supervisors and local agency formation commission; the formation does not go to a vote in a general election unless there is substantial protest filed by eligible voters or property owners. However, most CSA formations are tied to the approval of an assessment that requires approval of affected property owners.

CSAs are funded by some form of enterprise fee or special assessment, or some combination of the two. (CSA law does provide rather liberal provisions for a Board of Supervisors to loan money to a CSA, but this money must be paid back to the County.) Elections for special assessments of real property are different from general elections in that property owners only cast their votes if they oppose the assessment. Approval of the vote is indicated by not submitting a ballot. Anecdotal evidence suggests that CSA formations have a higher success rate than many other district formations – most counties propose CSAs with narrowly prescribed powers that are clearly of benefit to the affected properties. (Some counties have over 50 CSAs.) A CSA can activate new powers through action of a board of supervisors with approval from the local agency formation commission.

Silverado CSD

Silverado CSD's jurisdictional boundary is nearly identical to the boundary of the Silverado County Club development. The District was formed in 1967 and empowered to exercise the following powers:

- provision of water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation;
- provision of fire protection;
- provision of public recreation by means of parks (including, but not limited to aquatic parks and recreational harbors, playgrounds, golf course, swimming pools, or recreation buildings);
- provision and maintenance of street lighting;
- provision of police protection (specifically the equipment and maintenance of a police department or other police protection to protect and safeguard life and property); and
- street maintenance.³

From its formation until 1977, Silverado CSD exercised its authority to provide potable water, street lighting, and street maintenance, including landscaping and street sweeping.

³ It appears that street maintenance was interpreted to include maintenance of street landscaping, although this was not explicit at the time of formation.

Under the umbrella of fire protection, the District also initiated a limited weed abatement program. It has never exercised its other powers. The District has always offered these services by contracting with other entities. For the District's first decade of existence, potable water was provided by way of agreements with the City of Napa. In 1977, the City of Napa purchased and assumed full control of the water system within the District's boundaries.⁴ Since that time, the District has limited its services to what it defines as street lighting, street sweeping, landscape maintenance, and weed abatement. There is no record that the District ever deactivated any of the powers enacted at the time of formation.

CSA #3

CSA #3's jurisdictional boundary is nearly identical to the area contained in the Airport Industrial Area Specific Plan. The District was formed in 1979 and empowered to provide water (potable) and sanitary (sewer) services. The expressed intent of the Board of Supervisors was to eliminate jurisdictional confusion in the airport industrial area. It was envisioned that CSA #3 would not exercise its powers directly, but would instead contract for these services from the various providers in the vicinity of the District. However, such contracts or agreements never emerged, and the key service providers, the American Canyon County Water District and the Napa Sanitation District simply extended service directly to the area.

In a 1985 report, LAFCO staff recommended dissolution of the District. Staff's recommendation was not acted upon, and the District sat dormant until 1994. At that time, the Board of Supervisors and LAFCO completed a two-year review that concluded with the activation of a new set of powers for CSA #3:

- structural fire protection;
- street lighting;
- street sweeping; and
- street landscaping.

Water and sewer service powers were removed from the District's authority.

CSA #3 consists of three benefit zones. Each zone has a specific assessment rate tied to services being provided to the properties within that zone.

⁴ Staff is currently reviewing this purchase agreement in light of subsequent changes in the law and the policies of each agency. Staff intends to issue a supplemental report defining the City's service obligations with respect to this purchase agreement.

GOVERNANCE

Silverado CSD

CSD's are governed by a 3 or 5 member board of directors. At the time of formation, an election for a board of directors may take place, or a board of supervisors or city council has the option of appointing a district board. The appointed board may be the board of supervisors or the city council. Constituents of a CSD with an appointed board have the means to call for an election to determine if the CSD should have a directly elected board. At the time of formation, the Board of Supervisors was designated as the Board of Directors of the Silverado CSD. The registered voters within the District have not petitioned the Board to call for an election to determine if the District should become independent. The Board receives advice from a municipal advisory committee (MAC) it appoints that is comprised of registered voters within the District. The Board has established the practice of appointing a MAC comprised of a representative of each of the homeowners associations within the master association of the Silverado Country Club. This allows meetings of the MAC to occur immediately prior to meetings of the master association board. MAC meetings typically occur 3-4 times per year. The MAC has adopted by-laws governing its conduct.

The Board of Supervisors meets as the Board of Directors of Silverado CSD on an as-needed basis. Meetings are at a specified time during regular meetings of the Board of Supervisors.

CSA #3

A CSA is explicitly a dependent district of a county. As a result, the Board of Supervisors acts as the governing board of CSA #3. The Board of Supervisors conducts the business of CSA #3 on an as-needed basis, which is generally for the purpose of authorizing an annual assessment of properties to fund the services of the district. Meetings are at a specified time during regular meetings of the Board of Supervisors.

ADOPTED BOUNDARIES

Silverado CSD's adopted jurisdictional boundary is comprised of one contiguous area consisting of approximately 1596 acres. The sphere of influence is conterminous with the District. CSA #3's adopted jurisdictional boundary is comprised of one contiguous area consisting of approximately 1893 acres.⁵ The sphere of influence is conterminous with the District. Maps depicting the districts are provided in Attachment A.

⁵ The Commission approved annexation of close to 300 acres within the sphere of influence in February 2005, subject to certain terms and conditions. It is anticipated that these terms and conditions will be met prior to adoption of the determinations for this service review.

Adopted Boundaries for the Silverado CSD (Source: County of Napa’s geographic information system)	
Jurisdictional Boundary:	1596 acres
Sphere of Influence Boundary:	1596 acres

Adopted Boundaries for the County Service Area #3 (Source: County of Napa’s geographic information system)	
Jurisdictional Boundary:	1893 acres
Sphere of Influence Boundary:	1893 acres

LAND USE AUTHORITY

Both Silverado CSD and CSA #3 are under the land use authority of the County of Napa. Land located within the Silverado CSD jurisdictional and sphere boundaries is designated under the County General Plan as “Urban Residential.” The County General Plan specifies the intent of this designation as:

Provide, in identified urban areas, for development of a full range of urban housing opportunities, such as single family dwellings, multiple dwellings, townhouses, row houses, condominiums, and cluster housing in a desirable relationship to planned common use space, limited commercial, institutional, educational, day care, cultural, recreational and other uses, while at the same time preserving the quality of urban areas.

Development densities for the County of Napa are identified under its zoning standards. The area within the Silverado CSD jurisdiction is uniquely identified as the “Silverado Urban Area.” The Silverado Urban Area is specifically addressed in the General Plan:

The Silverado Urban Area is the developed master-planned portions of the Silverado Country Club and Resort, and residential areas in the Silverado Community Services District approved for development prior to 1991. Residential development within the Silverado Urban Area is limited to a maximum of 1,095 units. No additional wells will be drilled in the Silverado Community Services District. Except for sources from the City of Napa, no domestic or irrigation water supplies shall be transferred into the District from outside its boundaries.

The principal zoning standard for parcels located within the Silverado Urban Area is “Planned Development,” though portions are in the “Residential Single” and “Agricultural Watershed” Districts. Given the parameters of these zoning standards in combination with the specific policies of the General Plan, there are only a eight

undeveloped lots remaining within the Silverado CSD upon which owners may construct single-family residences. From a service stand-point, the area is essentially built-out.

Land located within the CSA #3 jurisdictional and sphere boundaries is designated under the County General Plan as either “Industrial” or “Public-Institutional.” The County General Plan specifies the intent of this designation as:

To provide an environment exclusively for and conducive to the development and protection of a variety of industrial uses such as administrative facilities, research institutions, limited commercial and related facilities which are ancillary to the primary industrial uses and specialized manufacturing organizations to be located in area suitable for industrial development.

The largest property in CSA #3 is the Napa County Airport, which is zoned as an “Airport District” in the General Plan. The principal zoning standard for parcels located within CSA #3 is “Industrial Park.” Some parcels are zoned “General Industrial” or simply “Industrial.” All parcels within the district fall within the “Airport Compatibility” overlay district. This overlay standard ties these parcels to the specifications of the County’s Airport Industrial Area Specific Plan (AIASP). The AIASP provides detailed restrictions for development as it relates to the flight paths of the airport.

SERVICE OPERATIONS

Silverado CSD

Silverado CSD provides street lighting, street sweeping, landscape maintenance, and weed abatement within its jurisdiction. Under direction of the Board of Supervisors, the County Department of Public Works provides administrative services to Silverado CSD. These services are provided in the form of a portion of the time of a staff services manager. The staff services manager prepares reports for the Board, attends all MAC meetings, manages the budget, manages contracts, and serves as the weed abatement regulator of the District.

Silverado CSD provides street lighting, street sweeping, and landscape maintenance through contracts with private companies. Provision of these services is limited to public areas within the District’s jurisdiction.⁶ Deviations from the routine provision of these services only occur at the direction of County Public Works after consultation with the MAC. These deviations are typically to respond to specific problems identified by the MAC. In addition, the MAC identifies, for consideration by the Board, special projects in these services areas, such as the extension of irrigation for landscaping purposes to medians or the additional of new road signage. Weed abatement is provided in a limited form by the staff services manager assigned to the District. Annually, the

⁶ “Public areas” should be distinguished from “areas of public access.” There are areas within the Silverado Urban Area that are accessible to the public, but are owned and maintained by private associations.

staff services manager tours the Silverado Urban Area to identify those properties where the vegetation has grown to a level considered unsafe for fire prevention. When a property is determined to have reached this condition, the staff services manager sends a letter to the property owner. If the property owner does not address the problem in the time frame specified in the letter, abatement is provided by the District and a bill is sent to the property owner.

CSA #3

CSA #3 provides structural fire protection, street lighting, street sweeping, and street landscaping. Under the direction of the Board of Supervisors and the County Department of Public Works, the staff of the Napa County Airport provides administrative services to CSA #3. The Airport staff administers contracts for street lighting; street sweeping; and street landscaping. Structural fire protection is provided in the form of a fire station staffed by the Napa County Fire Department (NCFD).⁷ Although the area of responsibility for this station is larger than the boundaries of CSA #3, its location ensures extremely low response times. In addition, funding from CSA #3 ensures that staffing levels are appropriate to address any fires in the industrial area.

FINANCIAL

Silverado CSD and CSA #3 are both funded through annual special assessments. The amount of the annual assessment is the adopted budget for maintenance and services, plus a contingency factor, as allowed by law. Because these districts operate under the provisions of special assessment law, they generally operate as fiscally neutral organizations. However, both districts realize a deficit or surplus each year as actual costs become known. Both districts are currently carrying positive fund balances against which any deficits are charged. Any surpluses are added to the fund balance. Each year, during the budget process, the fund balances are left in an undesignated fund or appropriated to various reserves and dedications as contingencies for future use. The approved Fiscal Year 2004-2005 budget for Silverado CSD is \$154,289. This budget includes a \$54,840 appropriation in building and improvements, which is the District's contingency line and reflects its fund balance from the prior year.

The CSA #3 budget is more complex in that it is divided into three parts to reflect the operation of three zones of benefit. All parcels within the boundaries of CSA #3 are in Zone 3. Zone 3 receives street lighting, street sweeping, and street maintenance. The approved Fiscal Year 2004-05 of Zone 3 is \$236,622. Zone 2 is the second largest zone, consisting of all parcels except those that fall within the jurisdiction of the American Canyon Fire Protection District. Zone 2 receives structural fire protection through CSA #3. The approved Fiscal Year 2004-05 of Zone 2 is \$163,800. Zone 1 is the smallest of the three zones and receives street landscaping from CSA #3; this service is concentrated in the industrial park area and at the Napa County Airport. The approved Fiscal Year

⁷ NCFD staffing is provided by the California Department of Forestry through a contract with the County of Napa.

2004-05 of Zone 1 is \$44,800. (Attachment D provides maps of the three zones of benefit.) Each parcel is assessed based on which zones of benefit it is within.

LOCAL ACCOUNTABILITY

Both Silverado CSD and CSA #3 are operated by the County of Napa under the direction of the Board of Supervisors. Staff members are available to the public during the working hours of the County. Meetings are held in conjunction with regular meetings of the Board of Supervisors, on an as-needed basis. The Clerk of the Board serves as the District Secretary to both agencies and ensures proper notice of meetings and posting of agenda. Annual reports about the finances of the District are issued as part of the assessment process.

SOURCES

Agency Contacts:

- Kim Henderson, Staff Services Manager, County of Napa Public Works
- Wanda Kennedy, Airport Manager, Napa County Airport
- City of Napa Water Department

Documents/Materials:

- City of Napa, re: LAFCO file, various documents concerning water service to Silverado CSD, various dates from 1972 to date
- County of Napa, “Annual Budget, Fiscal Year 2004-2005,” August 2004
- County of Napa, “CSA 3 Fire Protection and Street Maintenance Assessment District – Engineer’s Report, Fiscal Year 2004/2005,” June 16, 2004
- County of Napa, “Engineer’s Report, Fiscal Year 2004/2005: Silverado Community Services District,” June 2004
- LAFCO of Napa County, Re; File, “CSA #3, Baseline Report and Sphere of Influence Establishment,” November 20, 1985
- LAFCO of Napa County, Re: File, “Sphere of Influence: Silverado CSD,” Sept. 8, 1976